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Performance-Based Service Acquisition: Measure What You Manage*

Federal Acquisition Institute

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May 11, 2005

* …and Manage What You Measure!

I couldn’t have said it better…

“If you keep doing what you’ve always done, you’ll keep getting what you’ve always got.”

Yogi Bera

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Focusing project management on the desired results is predicated on knowing the answers to two questions…

- "What results do I need?"
- "How will I know when I get them?"
- The answers to these two questions are found in the Performance Work Statement
  - Performance Requirements
  - Performance Standards
  - Performance Measurement (Methods)

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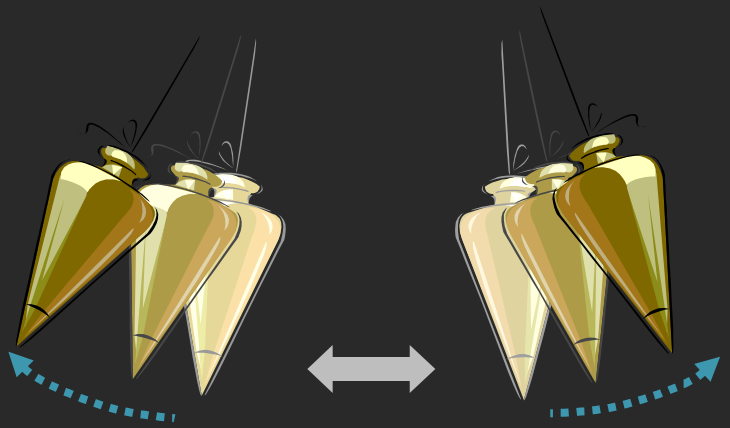
Often, the management approach swings like a pendulum from one extreme to the other…

Traditional
Funds and Staff Hours Expenditure Reports



Many, many "metrics"

I know how much our work costs, but are we getting anything done?

Does any of this *mean* anything?

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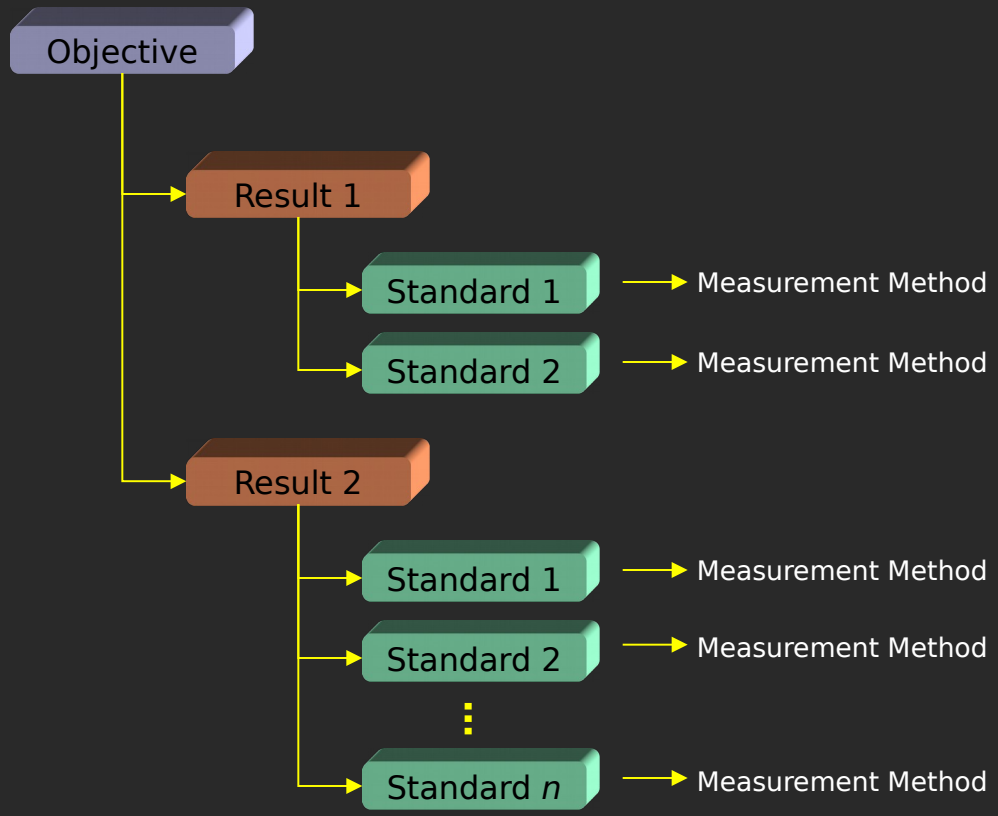
Performance-based acquisition is a strategy to align agency needs with the results that satisfy those needs…



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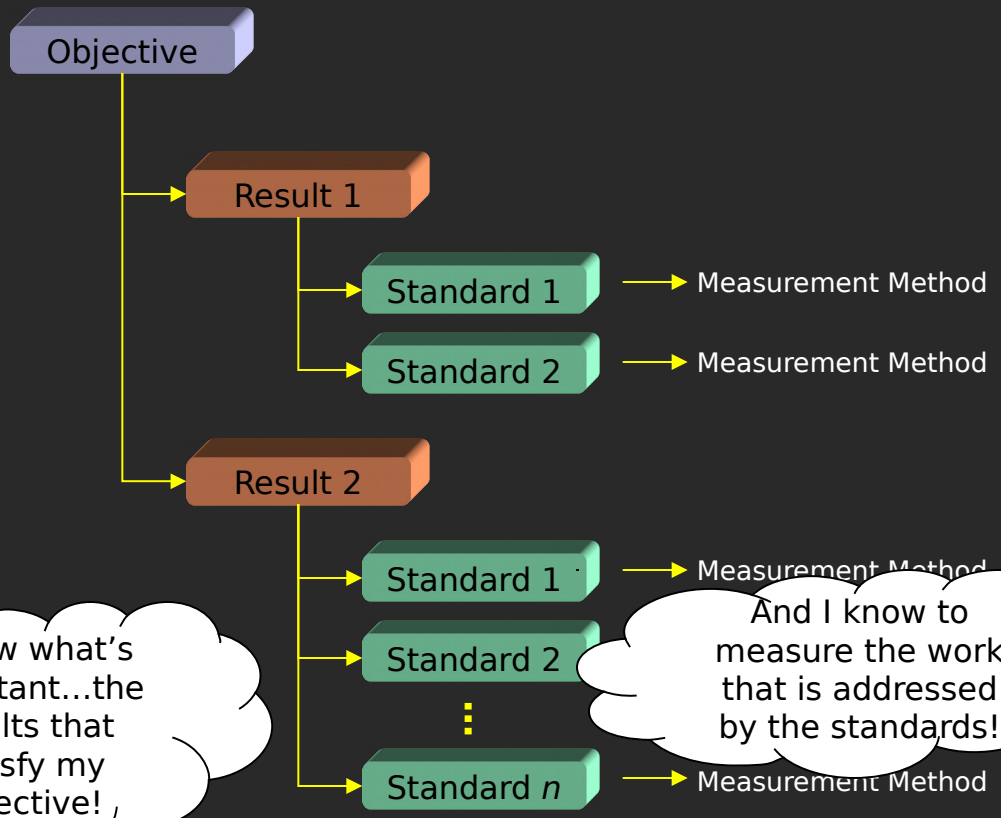
Performance-based management is a strategy for focusing on the relatively few measures of performance that really matter…



In a result-driven strategy, the right measures are those that focus on the results achieved, rather than the processes used. For example…

- Approach 1—The Trivial Many
  - Software lines of code written, per developer, per day (coding efficiency)
  - number of software coding errors per 1000 lines of code (coding error rate)
  - mix of senior and junior developers
  - percent of development time required for documentation
  - hours required to implement each requirement
  - number of software defect reports from end-users
- Approach 2—The Critical Few
  - schedule performance
  - percent of time required for re-work
  - number of software defect reports from end users

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Performance standard determine what gets measured and when the work can be considered “done”…

- Performance requirements define the outcomes, or results, that lead to satisfaction of the objective(s)
- Performance standards define the quality levels that must be achieved, or the conditions that exist, for the results to be acceptable
  - standards point directly to what gets measured
  - standards will always fall into one of the four categories:
    - functionality or content of the solution
    - quality
    - timeliness
    - cost

The Performance Work Statement provides the answers to the Two Questions…

- "What results to I need?"
  - Answer: Defined in the Performance Requirements
- "How will I know when I have achieved the results?"
  - Answer: When all the performance standards have been met

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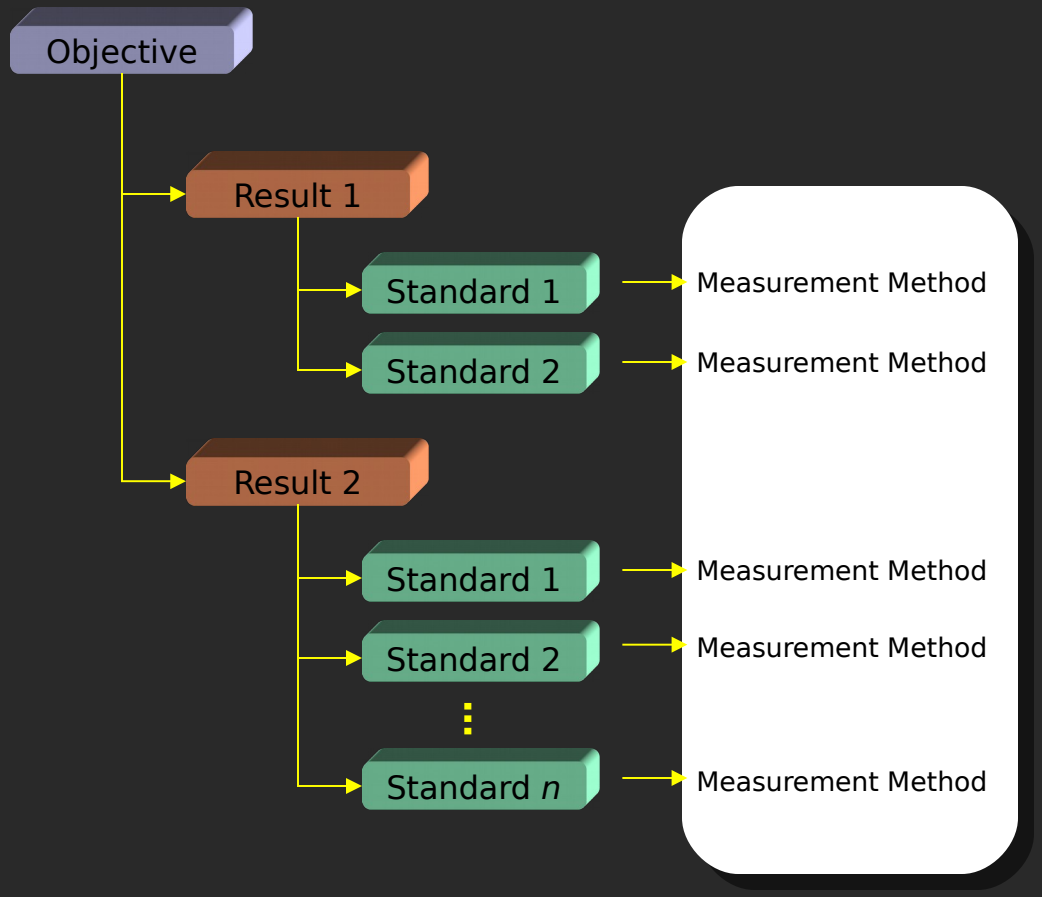
Coming full circle, an effective performance management approach is developed around the measures identified in the PWS…



The real key to managing performance-based acquisitions is to…

Measure what you manage…and manage what you measure!

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